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IN THE

Supreme Court of the United States

OCTOBER TERM, 1963

No. 770

BETHLEHEM STEEL COMPANY, *Petitioner,*

v.

CHARLES T. SAMUELSON, *Respondent*

PETITIONER'S REPLY BRIEF

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1. The first of the "Questions Presented", as stated in Respondent's Brief, is incorrect. This first Question, correctly stated, is "Did the Court of Appeals err in its review of the District Court's ruling on validity when it acted under a supposed rule of law which would place upon an accused infringer the burden of establishing the *legal conclusion* of invalidity beyond a reasonable doubt?"

It is Petitioner's contention that the "reasonable doubt rule" is a rule of evidence concerning the proof of evidentiary facts and an erroneous application of

this rule is clearly shown when a court requires a defendant to "prove" beyond a reasonable doubt the ultimate legal, or even constitutional, conclusion of invalidity for failure to meet the standard of invention.

2. The second of the "Questions Presented", as stated in Respondent's Brief, is based upon an outright mis-statement of fact, namely that "there is no dispute in the record on the controlling facts".

The physical structure of Mr. Gus II was stipulated, but the significance of the structure in terms of mode, manner, and principle of operation was sharply in dispute and formed the basis of conflicting testimony and scientific conclusions of technically qualified witnesses in the trial court.

3. At pages 5 and 6, Respondent requests this Court to notice judicially the fact that mobile units are operating outside the Gulf Coast area and offers reproduced pages from "Offshore & Gulf Coast Oil Reporter", December, 1963, to induce this Court to reach the conclusion that, as a practical matter, the patent in suit could or would be litigated in Circuits other than the Fifth Circuit.

Respondent's effort to mislead the Court on this issue is most reprehensible and should not be countenanced. It is certain that Respondent, a Fifth Circuit resident, would not, as a matter of common sense, bring an infringement action in any other circuit unless the defendant involved were not amenable to suit in that Circuit.

On the pages Respondent has reproduced from "Offshore", there are listed 81 "mobile units". Of these 81 rigs, 16 are shown to be outside the United States

and hence their present use is incapable of infringing a United States patent; of the remaining 65 rigs, 47 are concentrated in the Gulf of Mexico. Most important, of *all* the rigs identified on the pages Respondent has reproduced from "Offshore", only two are known to have these characteristics required by the claims of the patent in suit:

> a submersible mat;
>
> columns extending upwardly from the mat;
>
> a platform movable vertically on the columns; and
>
> spuds within the columns extendible downwardly into the marine floor.

These two are Mr. Gus II and the S-66.

Both Mr. Gus II and the S-66 were built on the Gulf Coast and have been used since that time only in the Gulf of Mexico. Wherever the headquarters of the owners of the S-66 may be located, it is obvious that Samuelson would bring his action only in the place where the infringement was being committed, that is, in the Fifth Circuit.

Since Respondent relies on the listing of rigs in "Offshore", which Petitioner agrees is a reasonably authoritative publication, Petitioner will quote from that publication and the equally authoritative "The Oil and Gas Journal" to support its assertion that it is improbable that the patent in suit will be infringed outside the Fifth Circuit:

> "The nation's first offshore production came from wells slant-drilled from California beaches out under the Pacific. Because the floor of the Pacific falls steeply away from the shoreline, only a narrow band of submerged land is offered to the

oil hunter's drill; and as a consequence, techniques for deep-water drilling and underwater completions have developed much more rapidly on the West Coast than anywhere else in the world." *Offshore,* August 20, 1963, page 25.

"The Ferris* is the only mobile platform working off California and only the second ever to drill in California waters. The first, the Pacific Driller*, has been converted to a permanent platform in Conception field, about 25 miles west of the present wildcat. Most drilling off the state is done either by floating vessels or from permanent structures." *The Oil and Gas Journal,* July 15, 1963, page 86.

4. Commencing at page 6, Respondent argues that there is no conflict between the decision in the instant case respecting validity and decisions of other courts.

It is Petitioner's position that the Court of Appeals erred in deciding the instant case through application of an erroneous principle of law which places a burden upon a defendant asserting a defense of invalidity of "proving" the ultimate conclusion of invalidity "beyond a reasonable doubt". The argument of Respondent does not meet this issue.

Respondent's argument is based on the erroneous premise that there was a conflict of testimony as to the facts bearing on the *validity* of the patent. In truth, the existence of the prior art was undisputed, and the conflicts of testimony to which Respondent adverts were with respect to the significance of the

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*Neither rig had the mat or ground anchor required by the Samuelson claims, which is the element of Mr. Gus II that makes it unsuited for the West Coast.

prior art on the *effective scope* to be accorded the patent claims.

Thus, if Dean Nedderman found it difficult to satisfy Respondent's counsel as to which was the "most pertinent" of the prior art references, it was not because he had any doubt as to what the references showed or how their structures or the patent structures or Mr. Gus II compared as a matter of engineering. It was rather because the "pertinence" of a reference to the legal conclusion of validity is a question for a court and not for a dean of an engineering school.

5. On page 12, Respondent suggests that in confining its Petition for Rehearing in the Court of Appeals to the infringement issue, Petitioner may be said to have waived its position that that Court erred as to validity. In truth, Petitioner knew, from the accurate statement made by the Court of Appeals of the position Petitioner had asserted, that that Court had neither "overlooked nor misapprehended" what Petitioner had said about validity. Instead, Petitioner was convinced that the Court of Appeals had "erred" in its ruling on validity, but Petitioner properly did not reargue the point in that Court. It is not the function of a rehearing petition to merely reargue; it *is*, however, the function of this, and every, appellate tribunal to correct *error* below, and for that reason Petitioner now asks this Court to act.

6. Commencing at page 12, Respondent argues that there is no conflict between the decision of the Court below respecting infringement and the decisions of other courts. This argument is based upon the erroneous premise that the structures involved and the mode, manner and principle of their operation were simply

and easily comprehended matters which were capable of summary disposition through a mere comparison of structures. The error of this is demonstrated by errors in the opinion of the Court of Appeals which evidence the misunderstanding of that Court itself with respect to the mode, manner and principle of operation of the structures involved. The fact of the matter is that the structure disclosed in the patent in suit is incapable of operating in the same manner as Mr. Gus II and Mr. Gus II is incapable of operating in the same manner as the structure disclosed in the patent in suit in water depths in which it is customarily operated. As stated in the Petition for Certiorari,

> "The opinion reflects material errors of the Court of Appeals concerning the structures and modes of operation of the patented, the prior art, and the accused devices, errors not made by the trial court".

Respondent's Brief in Opposition, understandably, entirely ignores these facts and the issue they present, for they go to the heart of the reason for Rule 52(a).

7. In short, Respondent would have this Court believe

   (a) that on the issue of validity there was conflicting testimony as to facts; hence the Court of Appeals properly invoked a rule requiring defendant to prove such "facts" beyond a reasonable doubt; and

   (b) that on the issue of infringement there was no conflict; hence the Court of Appeals was entitled to determine infringement as a matter of law.

This is a complete misrepresentation of the situations of both law and fact which actually existed. The truth is precisely the contrary of the propositions asserted by Respondent.

8. It is clear that, whether the patent in suit "dominates" an industry or not, the patent judgments of the Fifth Circuit Court of Appeals do dominate the most important area of the U. S. offshore industry and the only area in which the patent in suit is likely to pose a threat. Only by granting this petition for certiorari can the nationally vital search for Gulf Coast offshore oil be rid of the incubus of the invalid and over-valued Samuelson patent and others like it that may be validated or over-valued if the Court of Appeals is permitted to perpetuate its aberrant mistakes.

CONCLUSION

The Petition for a Writ of Certiorari should be Granted.

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